



State of California
Fair Political Practices Commission

Bulletin

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State Auditor Takes A Look At The FPPC

On March 18, 1998, the Joint Legislative Audit Committee ordered the California State Auditor to do a top-to-bottom investigation of the FPPC. Some members of the Legislature charged that the agency was out of control, overly intrusive in its oversight of gift-giving to politicians, and imposed such complicated reporting requirements that candidates are forced to hire lawyers and accountants to meet its requirements.

The audit results were made public May 28. None of the allegations held up under the auditor's scrutiny. Most findings were related to insufficient funding and staff to carry out responsibilities from legislative additions to the law.

After reviewing the report, FPPC Chairman James M. Hall and Executive Director Robert Tribe observed that the findings were "significant and reassuring...the FPPC reasonably interprets the Political Reform Act; FPPC spending has lagged behind the growth rate of most other state agencies; enforcement actions show no evidence of partiality; that greater effort and resources must be devoted to communicating with the people who are affected by the FPPC, and internal management control and accountability systems should be improved."

The auditor also questioned FPPC/Franchise Tax Board guidelines and standards used in auditing campaign disclosure forms, which Hall and Tribe acknowledged should be reviewed and updated. The auditor criticized the FPPC's methods for determining whether to pursue allegations of violations, particularly availability of funds and staff as a factor in the decision.

Hall and Tribe countered that suppressing the reality of inadequate resources "would be contrary to the intent and philosophy of the PRA...that the provision of the 'private attorney general' concept is not only a check against FPPC lassitude, but also a recognition that government may not always have adequate resources to pursue violations... enforcement staff uses professional judgment and prosecutorial discretion to choose cases that result in the greatest benefit to carrying out the purposes of the law."

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Interested Persons Meetings

Thursday, August 13, 1998
Commission Hearing Room
428 J Street, 8th Floor

- 9:30 a.m.** Public Funds, Prohibition (Section 85300 and Regulation 18530)
- 11:00 a.m.** Contribution-Payments Made Principally for Legislative, Governmental or Charitable Purposes (Section 82015 and Regulation 18215)
- 1:30 p.m.** Mass Mailings (Section 89001 and Regulation 18901)
- 3:30 p.m.** Multiple Lobbyists Gifts (Sections 86201 and 86203)

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Coming Soon!

In September, the Commission will be replacing the current phone system in use for the last ten years. The new system will provide faster, more efficient telephone service tailored to meet the needs of its callers.



California Fair Political Practices Commission

James M. Hall, Chairman
William Deaver, Commissioner
James Porter, Commissioner
Kathleen Richter-Makel, Commissioner
Carol Scott, Commissioner

Commission Meetings

Meetings are regularly scheduled for the first Thursday of each month at 10:00 a.m. in the Commission Hearing Room, 428 J Street, 8th Floor, Sacramento. Please contact the Commission to confirm meeting dates.

Pursuant to Section 11125 of the Bagley-Keene Open Meeting Act, the FPPC is required to give notice of its meetings ten (10) days in advance of the meeting. In order to allow time for inclusion in the meeting agenda and reproduction, all Stipulation, Order and Decision materials must be received by the FPPC no later than three (3) business days prior to the ten day notice date.

To receive a copy of the Commission meeting agenda (free) or a copy of the full meeting packet (\$10/month or \$100/year) contact the Commission at (916) 322-5660. The agenda and packet are also available through the Commission's Fax-On-Demand service at 1-888-622-1151, index number 7000.

Audit Triggers Legislation

Less than three weeks after release of the audit, Assembly member Lou Papan introduced legislation to update the dollar figures that trigger campaign and financial interest disclosure by candidates and public officials. The measure, AB 1864, is designed to implement a state auditor recommendation to bring dollar figures, many unchanged for more than 20 years, to reflect increases in inflation.

Key elements of the Papan bill included increasing the current \$10 per month limit on gifts from a lobbyist to \$50 each quarter; changing the \$250 threshold for reporting income (other than gifts) or loans to \$1,000; upping from \$500 to \$1,000 the maximum unwritten loan a public official may borrow; increasing from \$250 to \$1,000 for income, and from \$1,000 to \$5,000 for real estate investment, the threshold that defines a financial interest in a decision; raising from \$250 to \$500 the limit on a contribution a board or commission member may receive without causing disqualification; raising disclosure of a late contribution from \$1,000 to \$2,000; and raising the maximum amount in campaign funds that may be spent for a security system from \$5,000 to \$10,000.

On July 1, members of the state Senate Elections Committee gutted AB 1864, removed all proposed increases in current threshold levels, leaving only a few technical provisions intact. Assembly member Papan reportedly will attempt to restore the provisions later this summer in a joint Senate-Assembly conference committee.

During the July 2 FPPC meeting, by a 3-2 vote, the Commission decided to withhold a decision on support or opposition for AB 1864 until the proposed threshold increases are studied and impact and benefits measured. It unanimously supported aspects of the bill that enhance FPPC enforcement activities.

Legislation Update

The following legislation (if approved by the Legislature and signed by the Governor) will amend the Political Reform Act:

SB 304 (Karnette) - Repeals and reenacts the advertising disclosure provisions and the ballot pamphlet provisions of Proposition 208.

SB 520 (Brulte) - Requires disclosure in telephone advocacy communications.

SB 1736 (Johnston) - Requires disclosure in "issue advocacy communications."

SB 1737 (McPherson) - Creates Bipartisan Commission on the Political Reform Act.

SB 1753 (Schiff) - Requires candidates for the PERS governing board to file campaign statements.

SB 1764 (Karnette) - Requires the Secretary of State to place the state ballot pamphlet on the internet.

SB 2090 (Maddy) - Requires itemized disclosure of contributions to nonprofit organizations that contribute more than \$10,000.

AB 1336 (Vincent) - Requires general purpose committees to establish primarily formed committees for each ballot measure supported or opposed by the general purpose committee.

AB 1864 (Papan) - Repeals and re-enacts "aiding and abetting" statute of Proposition 208; extends amount of time Enforcement Division may review a complaint before deciding to bring a civil action against an individual suspected of violating the Act; and accomplishes other technical changes to the Act's reporting requirements.

AB 2179 (Thomson) - Requires state agencies to offer and state employees to take ethics training.

Enforcement Actions

Former Assemblymember Fined

Mickey Conroy and Mickey Conroy for Assembly, 1994, were fined \$2,000 at the June 4 meeting for making an expenditure of campaign funds to reimburse a penalty that was not directly related to the activities of a campaign committee.

While Conroy served on the State Assembly from 1991 to 1996, Peter Conaty served as Conroy's chief of staff. In March 1994, the Assembly Rules Committee found that Conaty had sexually harassed a female clerk on Conroy's legislative staff. As punishment for this misconduct, the Committee ordered Conaty be suspended from work without pay for one week. Conroy used campaign funds to reimburse Conaty for the loss of salary due to the job suspension.

The Act prohibits the expenditure of campaign funds to pay or reimburse fines, penalties, judgments, or settlements, except for those that are directly related to the activities of a campaign committee.

Disclosure Violations

June 4 Meeting

Toni Giaffoglione and the Committee to Elect Toni Giaffoglione were fined \$8,100 for disclosure violations and failure to deposit all contributions in and make all expenditures from a campaign bank account.

Giaffoglione, a member of the Board of Trustees of the Bassett Unified School District, failed to timely file a pre-election campaign disclosure statement in connection with a November 1993 election and 1993 and 1994 semi-annual campaign disclosure statements. An amended pre-election statement, filed at the

request of Commission staff, disclosed Giaffoglione had reported approximately 70 percent of contributions and 89 percent of expenditures to her campaign. Half the amount of a loan received and free office space donated to her by a school board member were not disclosed.

The first semi-annual statement disclosed no contributions or expenditures; however, Giaffoglione had contributed to her campaign and had received contributions from a school board member, and she had made expenditures for literature, postage and political consulting services.

The second semi-annual statement also did not disclose contributions or expenditures. Subsequently, on an amended statement, loan forgiveness and additional contributions were reported.

Vernon Johnson, Committee to Elect Vernon Johnson, and Toni Giaffoglione, treasurer, were fined \$2,000 for disclosure violations.

Johnson, an unsuccessful candidate for the Board of Trustees of the Bassett Unified School District in the November 1994 election, failed to timely file two pre-election campaign disclosure statements and two semi-annual campaign disclosure statements.

Della Rios, Committee to Elect Della Rios and Vernon Johnson, treasurer, were fined \$1,900 for disclosure violations.

Rios, a member of the Board of Trustees of the Bassett Unified School District, failed to timely file a pre-election campaign disclosure statement in connection with a November 1993 election and 1993, 1994 and 1995 semi-annual campaign disclosure statements.

Michael R. Thompson and **William G. Dorey** were each fined \$2,000 for failing to timely file major donor campaign statements.

Thompson is the Southern California Regional Manager for Granite Construction Company. Dorey is senior vice president of Granite Construction Company and serves as manager of the branch division. In early 1996, Thompson and Dorey met Mark Bragg and were informed about a project involving the Shadowrock Development Corporation. After several meetings where both Thompson and Bragg were present, a contract was negotiated whereby Granite would be hired to provide certain construction services for Shadowrock.

In April 1996, Bragg requested Thompson, and later Dorey, loan Bragg money to gather signatures for a statewide gaming initiative, the Gaming Control Act of 1996. Bragg offered to pay interest on the loan, personally guarantee repayment, and included as part of the deal an option to purchase shares of common stock of Palm Springs Gaming Corporation.

On April 28, 1996, Thompson loaned \$25,000 to Bragg, knowing that the money would be used to gather signatures for the statewide gaming initiative. On April 29, 1996, Thompson loaned Bragg another \$25,000 to be used for signature gathering. Finally, on May 23, 1996, Thompson loaned Bragg \$50,000. Of the \$100,000 loaned, \$50,000 was repaid on July 16, 1996, and the balance remains unpaid.

On May 13, 1996, Dorey loaned \$50,000 to Bragg to gather signatures for the statewide gaming initiative. On May 21, 1996, Dorey loaned Bragg another \$50,000 to be used for signature gathering. Of the \$100,000 loaned, \$50,000 was repaid on July 16, 1996, and the balance remains unpaid.

By making loans that constituted campaign contributions totaling ten thousand dollars or more during 1996, Thompson and Dorey each qualified as a major donor committee.

July 2 Meeting

Contra Costa Community College District (CCCCD) was fined \$16,000 for disclosure violations.

CCCCD placed Measure D, a \$145 million bond measure to finance reconstruction, repairs and a rehabilitation program for its institutions, on the November 1996 election ballot. In an effort to gain voter approval of Measure D, CCCCCD sent a brochure and paid for advertisements urging voters to vote for Measure D.

Prior to the election, CCCCCD failed to disclose receipt of any contributions and failed to fully disclose certain expenditures. Two contributions during the first pre-election reporting period and one contribution during the second pre-election reporting period were not timely disclosed; three late contribution reports disclosing receipt of five late contributions were not filed; four independent expenditures made prior to June 30, 1996, were not timely reported on either the semi-annual statement or on independent expenditure reports; and three expenditures made prior to the close of the first pre-election reporting period were not timely disclosed.

California Pro Life Council, Inc. (CPLC), an ongoing general purpose committee, was fined \$3,000 for failure to list occupation and employer information and failure to timely file a semi-annual campaign disclosure statement.

In 1994, CPLC received contributions of \$100 or more from 42 contributors and failed to disclose the occupation and/or employer for 36 of those contributors. Additionally, CPLC failed to timely file a semi-annual campaign disclosure statement for the period ending December 31, 1994.

Enforcement Actions

Sports Mall Task Force (SMTF) and Gordon Reynolds, treasurer, were fined \$2,500 for failure to file a statement of organization and failure to file a late independent expenditure report.

In early November 1996, SMTF raised approximately \$20,000 and sent approximately ten to eleven thousand mailers advocating that an area of land in Campbell known as Winchester Site be developed as a parks and recreation facility. The mailers also supported Campbell City Council candidates Robert Dougherty and Michael Dean who were proponents of SMTF's position that Winchester Drive be reserved for the development of a parks and recreation facility.

SMTF failed to timely file a statement of organization despite being advised by the city clerk that the committee may have a filing obligation. Since the mailers expressly advocated the election of the two candidates, the expenditures should have been reported as late independent expenditures.



In the May 1998 issue of the Bulletin, John Sorci was reported as serving on the Santa Clara City Council for four years and Mayor of Santa Clara for one term. After release of the May 1998 Bulletin, the Commission received new information that Mr. Sorci actually served on the Morgan Hill Council for four years and as Mayor of Morgan Hill for one term.

FPPC Files Accusation Against State Bar

On July 14, the Commission filed a one-count accusation against the State Bar of California for actions growing out of an illegal 1997 lobbying contract with the organization's former legislative advocate.

In January 1997, the State Bar contracted with Mel Assagai, its former senior executive for governmental affairs, to lobby for the bar. Assagai had performed the same function as a bar employee. The contract with Assagai and his new firm carried a provision for a flat yearly fee of \$450,000 plus a bonus payment of \$75,000 if Assagai won legislative approval of a multi-year funding bill for the State Bar.

The Political Reform Act prohibits agreements or payments to lobbyists or lobbying firms that are contingent "upon the defeat, enactment or outcome of any proposed legislative or administrative action."

If the State Bar contests the accusation, the issue will be resolved in an administrative law judge hearing. If not contested, the matter will be taken by the FPPC Enforcement Division to its five-member commission for a default decision and order.

In March 1998, Assagai agreed to pay a \$2,000 penalty for his part in the violation.

The seven page accusation document may be ordered from the FPPC Fax-on-Demand Service at no charge by calling toll-free 1-888-622-1151. When prompted by the voice menu, press three, and follow instructions to order index number 1000.

Facts About Mass Mailings

Mass mailings are more than 200 substantially similar pieces of mail sent by an officeholder, candidate or committee in a calendar month. The sender of a mass mailing is the candidate or committee who pays for the largest portion of the mailing.

Example:

The ABC Homeowner's Association paid \$500 for a mailer supporting I.M. Winner, a school board candidate. The mailing was sent at the behest of Mr. Winner, and he paid \$200 for the postage to send the mailer. Since the ABC Homeowner's Association was not an existing committee, nor did it qualify as a committee when it sent the mailer, Mr. Winner must be identified as the sender of the mass mailing.

Identification Requirements

The sender must be identified on the outside of the mailing and on at least one insert in the following manner:

- Name
- Address
- City
- At least six point type
- Contrasting color or print style
- Name of controlling candidate, if applicable
- P.O. box may be used if street address is listed on the committee's Form 410 filed with the Secretary of State

A single officeholder, candidate or committee that sends a mass mailing only needs to be identified on the outside of the mailing. Two or more officeholders, candidates or committees that pay an equal share of the cost of a mailing must identify at least one on the outside of the mailing and all must be identified on the inside.

Exceptions

The following information is **not** required to be included in the sender identification:

- Committee's identification number
- Name of treasurer or printer
- The words "paid for by"

Identification is **not** required under the Act on these campaign items:

- Newspaper, television, or radio ads
- Campaign materials that are not sent through the mail such as handbills, bumper stickers, and door hangers

The commission does not regulate the content of mailings (i.e. false or misleading statements).

Mass Mailings at Public Expense

Certain newsletters and other mass mailings may not be sent at public expense by or on behalf of an elected officeholder. Contact the Commission for a fact sheet entitled "Mass Mailings at Public Expense" for more information.

The information discussed above is required under the Political Reform Act. Candidates and committees active in local jurisdictions should consult with their local elections offices for information concerning local laws.

Lawn Signs

The Commission does not have jurisdiction over the placement or removal of campaign lawn signs or other outdoor advertising. Contact your local elections office for information concerning requirements or restrictions.

Answers, Please!

Q Is a candidate who ran in a primary election required to file another Form 501/502 for the general (or run-off) election?

A No, the Form 501/502 filed before the primary election covers both elections.

Q Must an incumbent file a Form 501/502 if he or she is running for re-election to the same position?

A Yes, the incumbent must file an initial Form 501. The Form 502 must also be filed to indicate whether the incumbent is redesignating an existing bank account or establishing a new bank account.

Q May a state or local candidate or officeholder transfer campaign contributions to another candidate who is subject to local contribution limits?

A A candidate or officeholder is prohibited from transferring campaign funds to any candidate in a jurisdiction with valid local contribution limits.

Q If a person buys a ticket to a campaign fundraiser, is the entire amount reported as a contribution?

A Yes, typically the face value of the ticket is reported as a contribution. The benefit the attendee receives at the event (i.e. food, entertainment) is not subtracted from the amount of the ticket price.

Q How are donated items for an auction or garage sale, as well as the proceeds of the sale, reported?

A The fair market value of items donated for sale at an auction or garage sale must be reported as non-monetary contributions on Schedule C. Non-monetary contributions of

\$100 or more received during the calendar year must itemized.

If the person who purchases the item pays fair market value, the proceeds are not “contributions” because the purchaser has received full and adequate consideration for the payment. These amounts should be reported as “Miscellaneous Increases to Cash” on Schedule I. If the purchaser pays more than the fair market value, the amount over the fair market value is a contribution that must be reported on Schedule A.

Q May a candidate be reimbursed for the use of a personal vehicle?

A An officeholder, candidate, a member of his/her immediate family, the staff of a committee, or the staff of an elected officer’s governmental agency may be reimbursed for use of a personal vehicle only if vehicle use directly relates to a political, legislative, or governmental purpose. The purpose and mileage must be documented in a manner approved by the Internal Revenue Service in connection with deductible mileage expenses. In addition, reimbursement cannot be made at a rate higher than allowed under Internal Revenue Code Section 162.

Q If a candidate uses his/her personal telephone for campaign purposes, how should the telephone bills be paid?

A Candidates that use personal telephones for campaign calls must pay the campaign portion of the bill with campaign funds. The other portion must be paid with personal funds.

November 3, 1998 Election Filing Schedule

<i>Filing Deadline</i>	<i>Type of Statement</i>	<i>Period Covered by Statement^{1/}</i>	<i>Method of Delivery</i>
October 5	First Pre-election	1/1/98 - 9/30/98 or 7/1/98 - 9/30/98	<ul style="list-style-type: none"> • Personal Delivery • First Class Mail
October 22	Second Pre-election	10/1/98 - 10/17/98	<ul style="list-style-type: none"> • Personal Delivery • Guaranteed Overnight Service^{2/}
24 Hours ^{3/}	Late Contributions and Late Independent Expenditures of \$1,000 or more	10/18/98 - 11/2/98	<ul style="list-style-type: none"> • Personal Delivery • Telegram • Guaranteed Overnight Service • Fax
January 31 1999* *Sun - File by February 1	Semi-Annual	10/18/98 - 12/31/98	<ul style="list-style-type: none"> • Personal Delivery • First Class Mail

- 1/ The period covered by any statement begins on the day after the closing date of the last statement filed, or January 1, if no previous statement has been filed.
- 2/ Personal or guaranteed overnight delivery is required for officeholders/candidates, their controlled committees, and committees primarily formed to support or oppose candidates or measures being voted upon on November 3, 1998. All others may file by first class mail.
- 3/ The recipient of a late "in-kind" contribution must file a Late Contribution Report within 48 hours from the time the in-kind contribution is received.

**Refer to appropriate campaign
disclosure manuals for further information**

For technical assistance, contact the Commission at (916) 322-5660.

Notes:

- State and county general purpose recipient committees must file on October 5th and October 22nd only if contributions/independent expenditures aggregating \$500 or more are made during the corresponding period.
- Campaign statements that contain 30 pages or less may be faxed provided the exact original and the required copies are sent to the filing officer(s) by first-class mail, guaranteed overnight delivery service, or personal delivery within 24 hours of the filing deadline. Late Contribution and Late Independent Expenditure Reports may be faxed but are not also required to be mailed.
- State and county major donor and independent expenditure committees are *not* required to file regular pre-election statements.
- In general, city committees are not required to file pre-election statements unless the city is holding an election.

Local Agencies — Conflict of Interest Code Issues

In the coming months each city, county and multi-county agency must review its conflict of interest code. Agencies have until October 1, 1998 to file a notice indicating whether amendments to the code are necessary. In June, the Commission notified agencies of this biennial review process. Seminars were also held in July where the following information was reviewed and addressed.

All public agencies are required to adopt a conflict of interest code (code). A code designates positions required to file Statements of Economic Interests, Form 700, and assigns disclosure categories specifying the types of interests to be reported. The Form 700 is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflicts of interests.

Three Components

Each code must contain the following:

1. *Terms of the code*

The terms of the code comprise the main body of a code and include such provisions as the manner to report financial interests, the disqualification procedures, etc. The Commission recommends that agencies incorporate Regulation 18730 by reference because the type of information required to be in the main body of the code is quite complex and Regulation 18730 contains all of these provisions. The Commission will amend the regulation to include legislative and regulatory changes that affect the main body of the code; therefore, this component of an agency's code is automatically in compliance with the Act.

2. *Designated positions*

The code must specifically list positions that make or participate in making decisions. Typically, positions that involve voting on matters, negotiating contracts, or making recommendations on purchases without substantive review must be included in codes.

Positions listed in Government Code Section 87200 (i.e. City Councilmembers, Planning Commissioners, Members of the Board of Supervisors, etc.) are not required to be included, because these positions automatically file Form 700.

An agency may review duty statements or enlist the assistance of department or division managers to determine which positions should be included. Contact the Commission for a fact sheet titled "How to determine who should be designated in a conflict of interest code."

3. *Disclosure Categories*

A primary purpose of the code is to require disclosure of those types of investments, interests in real property, sources of income and business positions that designated positions may affect in their decision-making. For example, the manager of an agency should be assigned full disclosure (all investments, interests in real property, sources of income and business positions) because the manager makes decisions that affect a wide range of interests. Alternatively, a purchasing agent whose decision-making is limited to the purchase of office supplies should only be assigned disclosure of investments, sources of income and business positions in entities that provide office supplies, equipment or merchandise of the type used by the agency.

Code Approval

Codes are not effective until they have been approved by an agency's code reviewing body. The code reviewing body for city agencies is the city council. The code reviewing body for an agency solely within a single county is the county board of supervisors. The code reviewing body for multi-county and state agencies is the Commission. Contact the specific code reviewing body for guidance regarding code adoption procedures.

Mark Your Calendar...

General Purpose Committee Workshop

- ▶ Overview of campaign disclosure provisions
- ▶ Review of Forms 450 and 420

A general purpose committee is any entity that receives \$1,000 or more in contributions during a calendar year but is not primarily formed to support or oppose a single officeholder, candidate, measure or specific candidates or measures being voted on in a single election. General purpose committees are more commonly referred to as political action committees ("PACs").

Sacramento

Friday, October 9

Commission Hearing Room
428 J Street, 8th Floor
10:00 a.m. to 12 noon

Lobbying Disclosure Workshop

- ▶ New registration requirements for the 1999-2000 legislative session
- ▶ Review of Forms 615, 625, and 635
- ▶ Discussion of gift notifications

This workshop is not intended for lobbyists who need to attend an orientation course to complete their lobbyist registration. Orientation workshops are conducted by the Assembly and Senate Ethics Committees. Please call (916) 324-6929 for information on orientation workshops.

Sacramento

Friday, October 16

Commission Hearing Room
428 J Street, 8th Floor
10:00 a.m. to 12 noon

Reservations Required for all Workshops
Free — Sign up Today! (916) 322-5660

1998 Lobbying Manual

The 1998 Lobbying Disclosure Information Manual will be available in September. This manual provides information regarding disclosure for persons/entities influencing the actions of the California State Legislature, the actions of the Governor in approving or vetoing legislation, and quasi-legislative actions of California state agencies. The manual was updated to include the following legislative and regulatory amendments that have been enacted since the last version was issued in 1996:

- ▶ New lobbying registration provisions
 - Registration renewal for lobbyists, lobbyist employers and lobbying firms is now November 1 - December 31 of each even-numbered year.
 - Lobbyist ethics orientation course requirements are clearly specified and a lobbyist's "conditional" registration is void if the course is not taken by specified deadlines.
- ▶ New definition of lobbyist
- ▶ Revised contribution definition to exclude certain payments made at the behest of a candidate principally for legislative, governmental or charitable purposes

Information Resources

A list of frequently requested addresses and telephone numbers is provided below.

Fair Political Practices Commission

P.O. Box 807 (95812-0807)
428 J Street, Suite 450
Sacramento, CA 95814
Phone (916) 322-5660
Fax (916) 322-0886
Website <http://www.fppc.ca.gov>
Fax-on-Demand (888) 622-1151

- Campaign Disclosure
- State Contribution Limits
- Conflict of Interest Disclosure
- Lobbying Disclosure
- Conflict of Interest Disqualification
- Proper Use of Campaign Funds

Reporting Enforcement Violations
(800) 561-1861

Secretary of State

Political Reform Division

P.O. Box 1467 (95812-1467)
1500 11th Street, Room 495
Sacramento, CA 95814
Phone (916) 653-6224
Fax (916) 653-5045
Website <http://www.ss.ca.gov>

- Committee Identification Numbers
- Termination of Committees

Elections Division

(916) 657-2166

- Questions Relating to the Elections Code

Registrar-Recorder of Los Angeles County

Campaign Reporting Unit

12400 Imperial Highway
Norwalk, CA 90650
Phone (562) 462-2339
Fax (562) 651-2548
Website <http://www.co.la.ca.us/regrec/main.htm>

Department of Elections — City and County of San Francisco

Campaign Statements

633 Folsom Street, Suite 109
San Francisco, CA 94107
Phone (415) 554-4375
Fax (415) 554-7344
Website <http://www.ci.sf.ca.us/election>

Federal Election Commission

Phone (800) 424-9530
Website <http://www.fec.gov>

- Federal Campaign Disclosure
- Contributions from National Banks, National Corporations, and Foreign Nationals

State Franchise Tax Board

Phone (800) 338-0505
Website <http://www.ftb.ca.gov>

- Committee Tax Status
- Tax Deductible Contributions
- Charitable Non-Profit Groups
- Any Other Tax-Related Questions

Internal Revenue Service

Phone (800) 829-1040
Website <http://www.irs.ustreas.gov>

- Federal Taxpayer I.D. Numbers
- Any Other Tax-Related Questions

Attorney General

Phone (800) 952-5225
Website <http://www.caag.state.ca.us>

- Brown Act Requirements
- Section 1090 Issues
- Incompatible Activities

Commission Meeting Summaries

June 4 Meeting

Chairman James M. Hall called the June 4, 1998, meeting of the FPPC to order at 10:03 a.m. in the Commission Hearing Room, 428 J Street, Sacramento. In addition to Chairman Hall, Commissioners William Deaver, Kathleen Makel, James Porter and Carol Scott were present.

The Commission approved \$18,000 in enforcement fines. In addition, the Commission held pre-notice discussion of the following proposed regulations concerning post-employment laws affecting state officers and employees:

- Regulation 18711 – Post-Employment Ban on Switching Sides. General Rules and Guide to Definitions.
 - Regulation 18711.1 – General Definitions.
 - Regulation 18711.2 – Definition. Proceeding.
 - Regulation 18711.3 – Definition. Participated.
- Regulation 18713 – Post-Employment Revolving Door Prohibitions. Guide to Rules and Definitions.
 - Regulation 18713.1 – General Definitions.
 - Regulation 18713.2 – Former Agency.
 - Regulation 18713.3 – Legislative, Administrative, and Other Action Prohibition.
- Regulation 18714 – Influencing Prospective Employment.

July 2 Meeting

Chairman James M. Hall called the July 2, 1998, meeting of the FPPC to order at 10:03 a.m. in the Commission Hearing Room, 428 J Street, Sacramento. In addition to Chairman Hall, Commissioners William Deaver, Kathleen Makel, James Porter and Carol Scott were present. The Commissioners approved \$21,500 in enforcement

fines. In addition, the Commission held pre-notice discussion on a Petition to Amend Regulation 18703.1 – Public Generally Rule – Small Jurisdictions/ Principal Residence. Amendments to Regulation 18730 – Provisions of Conflict of Interest Codes concerning loans to public officials and loan terms were adopted by the Commission.

Service Committee Meetings

Commissioners Kathleen Makel and Carol Scott held Service Committee Meetings on July 2, 1998, in Sacramento, and on July 14, 1998, in Southern California. The committee receive input regarding possible changes to simplify campaign disclosure. Input was also received on the advice process and other general issues. The Services Committee plans to conduct future meetings to discuss Enforcement procedures.

Proposition 218 Election Update

Proposition 218 requires voter approval of tax increases. Elections held for general and special tax measures placed on the ballot for voter approval by local governments are considered “ballot measures” and are subject to the Act’s disclosure requirements. The mail-out ballot and protest procedure for assessment districts is *not* considered a measure or an election under the Act. Contact a local elections office for information about Proposition 218 elections. Please **do not** call the Secretary of State, Elections Division, concerning these elections.

Advice Summaries

Formal written advice provided pursuant to Government Code section 83114 subdivision (b) does not constitute an opinion of the Commission issued pursuant to Government Code section 83114 subdivision (a) nor a declaration of policy by the Commission. Formal written advice is the application of the law to a particular set of facts provided by the requestor. While this advice may provide guidance to others, the immunity provided by Government Code section 83114 subdivision (b) is limited to the requestor and to the specific facts contained in the formal written advice. (Cal. Code Regs., tit. 2, §18329, subd. (b)(7).)

Informal assistance is also provided to persons whose duties under the act are in question. (Cal. Code Regs., tit. 2, §18329, subd. (c).) In general, informal assistance, rather than formal written advice is provided when the requestor has questions concerning his or her duties, but no specific government decision is pending. (See Cal. Code Regs., tit. 2, §18329, subd. (b)(8)(D).)

Formal advice is identified by the file number beginning with an “A,” while informal assistance is identified by the letter “I.” Letters related to Proposition 208 may be included under separate headings.

On January 6, 1998, the Federal District Court for the Eastern District of California issued a preliminary injunction barring further enforcement of any portion of Proposition 208. (*California Prolife Council PAC vs. Scully*, CIV-S-96-1965 LKK/DAD.) Letters pertaining to Proposition 208 may be affected in whole or in part by the preliminary injunction. On January 15, 1998, the Fair Political Practices Commission decided to immediately appeal the ruling to the Ninth Circuit Court of Appeals. Proposition 208 advice letters are not summarized here, but can be accessed through the fax-on-demand service (1-888-622-1151, index 9500).

Campaign

Lance Olson
Olson, Hagel, Leidigh, Waters
& Fishburn, LLP
Dated January 12, 1998
Our File Number: A-97-590

The exemption providing that a contribution does not include a payment of \$500 or less made by an occupant of a home or office for a fundraiser or meeting is a per event, per household exemption.

William C. Vickrey
Judicial Council of CA
Dated February 5, 1998
Our File Number: A-97-594

This letter discusses prohibitions on the use of state resources for campaign purposes, in the context of judicial campaigns. The relationship of Sections 85300 and 8314, which both prohibit the use of public resources for campaign purposes, is also discussed.

Terence K. McAteer
Grass Valley
Dated February 5, 1998
Our File Number: I-97-600

This letter discusses whether the expenses incurred by a radio station that airs a weekly talk show hosted by an individual who is running for reelection to local office would constitute in-kind contributions to the individual's campaign.

William J. Brunick
Brunick, Alvarez & Battersby
Dated February 9, 1998
Our File Number: I-97-605

This letter discusses the criteria for determining when campaign funds may be used by an elected official for the making of a donation to a nonprofit charitable organization.

Advice Summaries

Joyce M. Hicks
City of Oakland
Dated February 20, 1998
Our File Number: I-98-007

This letter discusses the reporting obligations of a city that wants to conduct a poll to determine the feasibility of creating an assessment district or imposing a special tax through the ballot measure process.

Mark Matsumura
Ho Chung for State Assembly
Dated February 10, 1998
Our File Number: A-98-008

This letter discusses the reporting obligations of a city councilman who is running for the Assembly and who wants to distribute his autobiography to city residents.

David Richards
CSP-Solano
Dated February 6, 1998
Our File Number: A-98-011

Within 10 days of raising or spending \$1,000 in a calendar year, a statement of organization is required.

Richard Kalayjian
International Assn of Firefighters
Dated March 20, 1998
Our File Number: I-98-019

This letter provides general advice regarding the reporting obligations of a sponsored committee.

Jerome Cleary
West Hollywood
Dated February 10, 1998
Our File Number: A-98-026

The value of access to television programming which is offered free to anyone is not a contribution when used by a candidate.

Poppy DeMarco Dennis
Community Coalition Network
Dated February 24, 1998
Our File Number: A-98-029

A 501(c)(4) organization distributes mailings that provide the voting records and positions of school board candidates. The mailing may be a contribution or independent expenditure depending on whether the mailing contains express advocacy and/or the mailing was made at the behest of a candidate.

Poppy DeMarco Dennis
Community Coalition Network
Dated March 18, 1998
Our File Number: A-98-029(a)

A mailing sent by a nonprofit organization evaluating candidates for local school boards is considered an independent expenditure because the mailing contains express advocacy and is not made at the behest of any candidate.

Poppy DeMarco Dennis
Del Mar
Dated February 24, 1998
Our File Number: A-98-042

A candidate, who is a member of a religious organization, circulated a nominating petition during regularly scheduled social hours on property owned by the organization. The candidate did not receive a contribution from the organization as a result of this activity.

Advice Summaries

Conflict of Interest

Fred Galante
Rutan & Tucker, LLP
Dated January 30, 1998
Our File Number: A-97-469

A public official's spouse owns an escrow company. This letter addresses conflicts issues arising when the spouse's clients come before the public official's agency.

J. Wayne Dernetz
City of Vista
Dated November 19, 1997
Our File Number: A-97-493

A councilmember is not disqualified from participating in a decision about the development of a piece of property owned by his parents because he has no economic interest in the decision.

Steve Herfert
City of West Covina
Dated November 6, 1997
Our File Number: A-97-508

A public official received a check of \$250 or more from a corporation as a settlement in a lawsuit. The corporation is a source of income to the public official and a disqualifying financial interest for 12 months from receipt of the check.

Jean B. Savaree
City of Belmont
Dated February 2, 1998
Our File Number: I-97-577

A councilmember owning property within 300 feet of a development project may not participate in development decisions. There was insufficient information supplied with respect to economic interests of other councilmembers.

Phillip S. Cronin
County of Fresno
Dated January 22, 1998
Our File Number: A-97-579

A sued public official may take part in defense/indemnification decisions if the defense/indemnification must be provided where the official was acting within scope of employment. The sued public official may *not* take part in decisions about defense/indemnification for punitive damages.

Fred Galante
Rutan & Tucker, LLP
Dated December 23, 1997
Our File Number: A-97-585

A councilmember is an employee of a plumbing supply business, which has made substantial sales to a contractor on a project. This previous connection, plus the possibility that his business will supply the project again, makes a material financial effect on the business reasonably foreseeable.

Bryan LeRoy
**Burke, Williams &
Sorensen, LLP**
Dated January 29, 1998
Our File Number: I-97-592

Interest in common area property is a potentially disqualifying interest if it is worth \$1,000 or more. The extent of the interest is all of the common area property including noncontiguous areas.

James Markman
Richards, Watson & Gershon
Dated January 15, 1998
Our File Number: A-97-593

This is a conflict of interest letter involving a city councilperson who is employed by a disposal service that has a decision that directly involves another disposal company.

Kimberly Smith
City of Cupertino
Dated January 30, 1998
Our File Number: A-97-596

A city councilmember is also CEO of a nonprofit corporation that may get office space donated rent free from an entity that owns a building. The public official does not have a conflict in decisions affecting lessor entity, since that entity is not a source of income to the public official. This presumes, of course, that no direct material financial effect to the public official is attributable to savings in rent.

J. Michael Wyly
Pasadena
Dated January 28, 1998
Our File Number: I-97-598

The events manager at the Rose Bowl Operating Company is a public official subject to the Act. The events manager would not be able to participate in any decision that had a material impact — direct or indirect — on his economic interest.

Kathryn Winter
Napa Valley
Dated March 3, 1998
Our File Number: A-97-610

This letter discusses conflicts of interest that exist and may arise for a county supervisor based on her husband's sales and marketing of a guidebook he has written. The letter analyzes source of income.

Kathleen Walsh
CA Air Resources Board
Dated February 11, 1998
Our File Number: A-97-615

The receipt by a designated employee's wife of a "company car" from Electronic Data Systems Corporation does not create a conflict of interest for him in making decisions affecting General Motors, as Electronic Data Systems is the provider of the car to the wife, and the corporation is no longer a subsidiary of General Motors.

Brian Libow
City of San Pablo
Dated January 23, 1998
Our File Number: A-97-616

City councilmembers own residences within 300 feet of truck routes proposed for deletion. The "public generally" exception applies because more than 10 percent of households in the jurisdiction are within 300 feet of truck routes proposed for deletion, and will be similarly affected.

Jill Adair Scholten
Henion & Scholten
Dated February 5, 1998
Our File Number: A-97-629

A limited partnership, one of whose partners is a councilmember may apply for a redevelopment loan from the city. A public official may not make, participate in, or influence a decision on a loan application, and the city may become a source of income to the public official by virtue of the loan.

Cynthia Curry
Health and Welfare Agency
Data Center
Dated March 9, 1998
Our File Number: I-98-006

This letter discusses potential conflicts of interest that designated employees of the agency who own stock in Microsoft or Intel may have in participating in agency decisions to purchase computers.

Advice Summaries

Thomas M. Griffin
Sacramento
Dated February 23, 1998
Our File Number: I-98-012

A school superintendent may serve on an advisory council with oversight over county special education programs where his wife is Director of Special Education. However, he must disqualify himself from decisions about his wife's hiring, firing, demotion, discipline, or setting her salary at a different level for similar employees.

Robert W. Hargreaves
Best Best & Krieger, LLP
Dated February 23, 1998
Our File Number: A-98-013

A public official has a disqualifying conflict of interest if her pro rata share of her business' income for a client who is also a party to a contract awarded by her agency equals or exceeds \$250 in a twelve-month period.

Willie L. Hailey, Sr.
Barstow
Dated February 24, 1998
Our File Number: A-98-020

A member of the school board who also coaches football at the high school may participate in the school board decision to approve the football coaches' salaries.

John D. Flitner
City of Rohnert Park
Dated February 25, 1998
Our File Number: A-98-021

A councilmember who is also the superintendent of a school district may participate in a city council decision for the city to either annex or deannex territory which includes part of the school district.

René Auguste Chouteau
City of Santa Rosa
Dated February 17, 1998
Our File Number: I-98-027

A public official may not participate in a decision regarding a redevelopment project if the decision has a material financial effect on the public official's property as defined in Regulation 18702.3(a)(3).

Nathan J. Rangel
Adventure Connection
Dated March 4, 1998
Our File Number: A-98-032

This letter concludes that it is not reasonably foreseeable that a public official's business will be affected by the expansion of a state park. The letter also concludes that the public official does not have an economic interest in a trade organization that he lobbies on behalf of since he does not get paid for his services.

Roseanne Chamberlain
El Dorado Local Agency
Formation Commission
Dated February 23, 1998
Our File Number: A-98-039

A public official may participate in a decision directly involving her husband's superior.

Karen M. Tiedemann
Goldfarb & Lipman
Dated March 17, 1998
Our File Number: A-98-045

A city manager is a public official and may not make, participate in making, or influence governmental decisions that have a reasonably foreseeable and material financial effect on his spouse's employer.

Jeffrey G. Jorgensen
City of San Luis Obispo
Dated March 5, 1998
Our File Number: A-98-046

The city attorney's participation as a homeowner in the city's Voluntary Service Lateral Investigation and Rehabilitation Program does not constitute a conflict of interest under the Act.

Roseanne Chamberlain
El Dorado Local Agency
Formation Commission
Dated March 31, 1998
Our File Number: A-98-051

This letter discusses whether a LAFCO commissioner may participate in a decision to incorporate an area in which she owns a personal residence and runs a small business.

Steven R. Meyers
Meyers, Nave, Riback,
Silver & Wilson
Dated March 11, 1998
Our File Number: A-98-053

This letter discusses whether a city councilmember who has an economic interest in a utility company may participate in decisions that will increase the amount of water available to the utility company to generate electricity.

Margaret A. Sloan
Jorgensen, Siegel, McClure
& Flegel, LLP
Dated March 20, 1998
Our File Number: A-98-060

The Commission staff does not have the authority to grant an administrative exemption. The requestor requested relief from the maximum one acre requirement of the public generally exception for a public official's principal residence found in Regulation 18703.1.

Carl Kangas
Napa County Airport Land
Use Commission
Dated March 31, 1998
Our File Number: A-98-063

A public official may participate in the formulation of a comprehensive land use plan and a proposed amendment of a general or specific plan, or adoption of a zoning ordinance or building regulation unless the decisions will have a reasonably foreseeable and material financial effect on the public official's employer.

Roseanne Chamberlain
El Dorado Local Agency
Formation Commission
Dated March 31, 1998
Our File Number: A-98-078

This letter discusses whether a LAFCO commissioner may participate in a decision to incorporate an area in which he owns a personal residence and runs a small business.

Statements of Economic Interests

Daniel M. Kolkey
Governor's Office
Dated March 10, 1998
Our File Number A-98-067

Payments from the Economic and Trade Promotion Account to the Governor, assuming they are raised in accordance with applicable laws and from any general fund account in the Trade and Commerce Agency, fall within a statutory exception from the definition of a gift that applies to travel provided by the agency of an elected state officer.

Advice Summaries

Mass Mail

John Chiang
State Board of Equalization
Dated January 29, 1998
Our File Number: I-97-623

This letter provides a detailed response to questions involving the mass mailing prohibitions of the Act and the recently amended definition of contribution in the context of a “co-sponsored event.”

Steven Kamp
Van Nuys
Dated March 9, 1998
Our File Number: A-97-623a

This letter is a follow up formal advice letter to the *Chiang* Advice Letter, No. I-97-623. Five different co-sponsored events and the announcements of those events are discussed. Main topics include the new definition of “contribution” and the mass mailing prohibitions.

Christine D. Lovely
Atkinson, Andelson, Loya, Ruud
& Romo
Dated February 20, 1998
Our File Number: A-98-017

A web page is not currently considered a mass mailing. A web page provided by a school district does not violate Section 85300 as long as it does not show any indication of support, approval or express advocacy for a candidate.

John G. Barisone
Atchison & Barisone
Dated March 6, 1998
Our File Number: A-98-033

A city may use public funds to distribute a candidate brochure that follows guidelines set forth in Elections Code Section 13307. The city may not place obstacles to a candidate’s inclusion on the brochure that have the effect of favoring incumbents. If the brochure only includes an incumbent candidate for a particular office and does not include a challenger, the brochure would not be a permissible mailing under Section 89001. Also, the brochure must state the criteria a candidate must satisfy to be included in the brochure.

Conflict of Interest Code

Michael Karger and
Stephanie Scher
Kane, Ballmer & Berkman
Dated March 4, 1998
Our File Number: A-97-253

A consultant employed for a limited purpose who has no ability to make governmental decisions for or on behalf of a governmental agency is not a consultant under Regulation 18700 (a)(2) and, therefore, need not be included in a conflict of interest code.

Gregory V. Moser
Foley, Lardner, Weissburg
& Aronson
Dated February 4, 1998
Our File Number A-97-400a

This letter affirms the advice in the *Moser* Advice Letter, No. A-97-400, where it was concluded that a nonprofit agency was not a governmental agency under the facts provided.

Craig J. Cannizzo
Hanson, Bridgett, Marcus,
Vlahos & Rudy, LLP
Dated February 13, 1998
Our File Number: A-97-562a

This letter reconsiders advice provided in the *Cannizzo* Advice Letter, No. A-97-562. An entity used as a vehicle to affiliate the health care systems of a hospital district and private corporation is not a governmental agency under the *Siegel* criteria. Although the first and fourth criteria of the *Siegel* test are met to some extent, they do not lead to the result reached in the first letter under the circumstances described.

Sheryl Patterson
Regional Transit
Dated February 25, 1998
Our File Number: A-97-570

Members of a consulting firm who have the ability to negotiate contracts on behalf of the agency, and who worked for the agency on various projects over several years are consultants under the Act and are properly included in the agency's conflict of interest code.

J. Dennis Crabb
Rollston, Henderson, Rasmussen
& Crabb
Dated January 30, 1998
Our File Number: A-97-575

It is not necessary to apply the *Siegel* factors to an entity created by a joint powers agreement because it is clearly a public entity. An official who owns a vacation rental management business may have a conflict in decisions regarding the expenditure of transient occupancy tax funds for the purpose of promoting tourism.

Gregory V. Moser
Foley, Lardner, Weissburg
& Aronson
Dated February 2, 1998
Our File Number: I-97-595

The requestor has provided insufficient information to determine if a planning association is a local government agency under the *Siegel* Opinion. Under Regulation 18700, the terms "board" and "commission" are interpreted to include committees and associations.

Stephen V. Stone
Butte College Foundation
Dated February 4, 1998
Our File Number: A-97-630

This letter applies the *Siegel* Opinion and the *Francis* Advice Letter, No. A-86-214, to determine whether an auxiliary organization formed by a community college district is a local government agency under the Act.

Peter Bianchi
Lassen County
Dated February 23, 1998
Our File Number: I-98-030

The code reviewing body for a county agency is the board of supervisors. The Commission can only offer advice regarding which employees should be designated under a county's conflict of interest code. An agency employee may submit a petition to the board of supervisors requesting an amendment, and if denied, may petition for judicial review.

Robert C. Otto
Grossmont Union
High School District
Dated March 25, 1998
Our File Number: I-98-058

A local school district may not expand its statement of economic interests form to include information not required by Section 87302.

Advice Summaries

Revolving Door

Leo Sandoval

Roseville

Dated January 12, 1998

Our File Number: A-97-617

The Act does not prohibit a former employee of a state agency from participating in and planning a special education conference co-sponsored by the department for the purpose of providing information to school officials and parents. However, the employee may not encourage the department to co-sponsor the event.

Under Section 87406, former employees are considered “paid to communicate with their former agency” if they will eventually receive compensation for their activities even if the payment is not received until after one year has elapsed.

Joseph R. Symkowick
CA Department of Education

Dated February 10, 1998

Our File Number: A-97-621

The post-governmental employment restrictions in Section 87406 apply to an employee “loaned” pursuant to a state statute from a state agency to a local school district.

Anthony Costa

Fresno

Dated February 4, 1998

Our File Number: A-98-003

The requestor may not represent a taxpayer in an audit proceeding considering that the audit originated under his supervision as the district principal auditor for the Fresno District of the Board of Equalization.

James F. Sweeney

Sacramento

Dated March 6, 1998

Our File Number: A-98-022

This letter discusses whether the former Chief Counsel to the Secretary of State may 1) file campaign reports 2) submit requests for waivers of fines and penalties 3) file candidate and/or challenge designations and 4) file and/or challenge ballot measure titles, summaries, and arguments.

Rebecca A. Parker

Davis

Dated March 20, 1998

Our File Number: A-98-031

The requestor seeks advice on how the revolving door prohibitions will affect her employment opportunities as an evaluator of educationally related programs for a local government agency considering that the requestor’s former employer is the California Department of Education.

Richard Radan

Fair Oaks

Dated March 18, 1998

Our File Number: I-98-041

A designated state employee, who manages large information technology projects, seeks general advice regarding the post-government employment restrictions of the Act.

Richard Radan

Fair Oaks

Dated March 31, 1998

Our File Number: I-98-076

The Act does not prevent a prospective employer from bidding on a project involving a designated employee’s former government agency. However, the designated employee may not be identified in connection with the contract.

Gift Limits

Steven S. Lucas
Nielsen, Merksamer, Parrinello,
Mueller & Naylor, LLP
Dated December 19, 1997
Our File Number: A-97-534

Most of the payments to public officials made by a nonprofit organization exempt from taxation under IRC Section 501 (c)(3) are disclosable gifts, exempt from the limit. The payments for food and beverages served at receptions are gifts subject to the limits.

Jonas J. Austin
Sacramento
Dated December 8, 1997
Our File Number: A-97-550

A wedding gift from a lobbyist to a legislative official generally may not exceed a value of \$20. If the gift is peculiarly adaptable to the personal use of the official, the limit would be \$10. If it is for the exclusive use of a non-official spouse, there is no limit.

Charles Peterson
County of Mendocino
Dated January 15, 1998
Our File Number: A-97-554

A ticket to one event at the Special Winter Olympics provided by a sister city is a gift to the recipient official. The official's attendance at the event is not reasonably related to a legislative or governmental purpose because the event itself is not related to the sister city relationship. The letter discusses other gift issues.

Robert Eisman
Department of Justice
Dated March 23, 1998
Our File Number: A-98-072

An athletic team composed of state employees may accept a monetary donation from a restaurant corporation. Some designated employees on the team may be subject to the gift limit. The source of the gift is the team, not the restaurant corporation.

Honoraria

Nathan Paxton
Office of Senator Quentin Kopp
Dated January 15, 1998
Our File Number: A-97-608

Payments to a member of the California Senate Associates Program are not prohibited honoraria if his business satisfies the requirements for the bona fide business exception.

John H. Ross, Ph.D
Cal/EPA Department of
Pesticide Regulation
Dated February 6, 1997
Our File Number: A-98-018

The requestor may accept travel and per diem from a nonprofit organization exempt from taxation under IRC Section 501(c)(3) to serve on an expert panel regarding pesticide exposure, but he may not accept a \$1,000 honorarium. Reporting issues are also discussed.

Personal Use

Dana W. Reed
Reed & Davidson
Dated January 30, 1998
Our File Number: I-97-451

A candidate may be reimbursed for the use of his/her vehicle used for campaign related business at a rate approved by Section 162 of the Internal Revenue Service code.

Advice Summaries

Thomas Lomax
San Francisco
Dated January 23, 1998
Our File Number: A-97-606

A proponent of an initiative may pay for his health benefits with campaign funds if he is a bona fide employee of the committee. He may receive compensation from the committee only for professional services reasonably required by the committee if the services are directly related to a political, legislative, or governmental purpose.

Section 84308

Michael Adams
Palmdale
Dated January 9, 1998
Our File Number: I-97-587

An elected official may participate in a decision involving a contribution to his campaign of \$250.

Miscellaneous

John Rozsa
Carmichael
Dated March 11, 1998
Our File Number: A-98-028

The Act does not prohibit an individual from serving as a legislative consultant and also performing occasional work for a private business. But the business will become a source of income to the individual, and he may not make governmental decisions that would have a material financial effect on the business. The honoraria ban and the Legislative Code of Ethics are also discussed.